

STATE OF MARYLAND
MARYLAND DEPARTMENT OF THE ENVIRONMENT
Shari T. Wilson, Secretary

BILL NO: House Bill 1425

COMMITTEE: Environmental Matters

POSITION: Support With Amendment

TITLE:

Department of the Environment – Consolidation and Administration of 2 Environmental Funds

BILL ANALYSIS:

The proposed legislation will consolidate the Sewage Sludge Utilization Fund, and penalties collected under the sediment and erosion control statute into the Maryland Clean Water Fund.

POSITION AND RATIONALE:

In 2007, the Department of the Environment completed an in-depth fiscal analysis to assess the current fiscal structure of the agency. MDE programs rely on a combination of general, special, federal and reimbursable funds to support activities. Due to increasing federal and state mandates, increases in salary and fringe benefit costs, and reductions in State general funds available for environmental programs, MDE is increasingly dependent on non-general funds to support daily operations. As a result, special and federal fund expenditures are increasing faster than total revenues, which are insufficient for MDE to support all regulatory mandates and critical programs and activities. The Department identified key recommendations to correct the fiscal structure and has implemented several of the recommendations, including expanding the use of the Scrap Tire Clean-up Fund to allow funds to be used for other programmatic activities within the Department. This was done through the Budget Reconciliation and Financing Act of 2009 (BRFA).

Another recommendation to resolving the structural constraints on funding was to consolidate some of the Department's special funds (currently 29) to enable the Department to prioritize expenditures for activities with the greatest public health risk or environmental need. A more in depth study completed during the fall of 2009 recommended merging the Sewage Sludge Utilization Fund and penalties collected under the sediment and erosion control statute into the Clean Water Fund.

The proposed legislation will do just that, provide accounting /operating efficiencies by eliminating two existing special funds, and will provide opportunities to fund a broader range of programs than can currently be funded under the existing structure.

The Department is offering one technical amendment to correct a drafting error in the legislation.

FOR MORE INFORMATION,
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BY: Maryland Department of the Environment

AMENDMENTS TO HOUSE BILL 1425
(First Reading File Bill)

AMENDMENT NO. 1

On page 10 in line 17 strike “(H)(1)” and insert “(D)(1)”.